RECENT CASES.

CORPORATIONS—ORGANIZATION—STOCK SUBSCRIPTION—WILLIAMS v. CITIZEN ENTERPRISE CO., 57 N. E. 581 (Md.).—Action by a corporation to recover a stock subscription. *Held*, that a subscription to the capital stock of a proposed corporation cannot be enforced in the absence of a *de jure* organization. A *de facto* organization is not sufficient.

The general rule is that a subscriber to the stock of a *de facto* corporation cannot defend, in an action on his subscription, by showing that there is no *de jure* organization. *Buffalo & Allegany R.R. Co.* v. *Cary*, 26 N. Y. 75. To constitute a *de facto* corporation, there must be (1) a charter or general law under which the corporation might have formed; (2) an attempt to form a corporation, and *actual performance of corporate acts pursuant to the charter or law. Morawitz Corp.*, sec. 777. In this case it does not appear whether there was such a performance of corporate acts as is required to constitute a *de facto* corporation, and it may be distinguished from *Buffalo & Allegany R.R. Co.* v. *Cary* supra on this ground.

CRIMINAL LAW—HOUSE OF ILL-FAME—STATE v. CHAUVET, 83 N. W. 717 (Ia.).—The defendant traveled from place to place in a black covered wagon in which prostitution was carried on. *Held*, guilty of keeping a house of ill-fame.

This is the first time that a wagon has been regarded as being within a general law against keeping "houses" of ill-fame, although some cases have held that the term included tents. *Killman* v. *State*, 28 Am. Rep. 432; *Clifton* v. *State*, 53 Ga. 241. A vessel on the Mississippi was held to be within the meaning of the statute. *State* v. *Mullen*, 35 Ia. 199. *State* v. *Powers*, 36 Conn. 77, says that any building, not necessarily a dwelling, kept for immoral purposes, is included by the statute.

EXEMPLARY DAMAGES—CORPORATIONS—AGENCY—BANK v. TEL. CABLE CO., 103 Fed. 841.—An operator employed to transmit money orders between banks sent a forged money-order telegram over the wires. *Held*, the telegraph company is liable for the torts of its agents, but only in compensatory damages.

The early theory was that a corporation was not liable in exemplary damages. But the case of *Lake Shore* v. *Prentice*, 147 U. S. 101, has so far changed this as to permit a recovery when the agent of the corporation has been acting within the scope of his authority. The position of this telegraph operator, accustomed to send money-order telegrams, would seem to be within the rule of this case. But *Railroad Co.* v. *Prentice* lays down a principle that is extremely difficult of application. An agent is hardly ever acting within the scope of his authority when he does a deliberately wrongful act. Consequently, *Railroad Co.* v. *Prentice*, instead of extending, puts satisfactory limits upon the doctrine of exemplary damages, and the present case is an illustration of its limitations.

HIGHWAYS—ABUTTING OWNERS—BICYCLE PATHS—RYAN v. PRESTON, 66 N. Y. Sup. 162.—Action by an abutting owner, holding fee in the highway to its center, to restrain side-path commissioners from constructing and maintaining a bicycle side-path. *Held*, such a side-path could be constructed.